



# County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

June 19, 2008

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To: Supervisor Yvonne B. Burke, Chair  
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From: William T Fujioka  
Chief Executive Officer

## WASHINGTON, D.C. UPDATE

### Federal Fiscal Year (FFY) 2008 Supplemental Appropriations Bill (H.R. 2642)

Today, the House passed a revised FFY 2008 supplemental appropriations bill, which reflects a compromise between the White House and the Democratic and Republican House leadership. Under the bill, a moratorium would be imposed on the implementation of six of the seven pending Medicaid regulations until April 1, 2009, including regulations which would limit Medicaid payments to public hospitals, eliminate Medicaid reimbursement of Graduate Medical Education (GME) costs, restrict Medicaid funding for targeted case management services, and narrow the definition of rehabilitative services reimbursable by Medicaid. The bill does not include a moratorium on the proposed rule which would narrow the definition of hospital outpatient services under Medicaid. The fiscal impact on the County of this proposed rule cannot be determined because its language is vague and subject to varying interpretation. It also has not yet been issued as final rule.

Besides the Medicaid provisions, the House bill also includes supplemental funding for Iraq and Afghanistan operations, expanded veterans education benefits, disaster relief, foreign aid, and an extension of unemployment benefits of up to 13 weeks. However, it does not include the \$490 million in additional Byrne Justice Assistance Grant (JAG) funding, which was included in the previous Senate-passed version. The Senate

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may consider the supplemental appropriations bill next week. In the meantime, and as reported previously, the Administration is voluntarily refraining from implementing the Medicaid public hospital payment limit and GME regulations until August 1, 2008 even though the statutory moratorium on implementing them expired on May 25, 2008.

**Byrne Justice Assistance Grant Reauthorization (H.R. 3546)**

Yesterday, the House Judiciary Committee approved H.R. 3546 (Johnson, D-GA), a bill which would authorize \$1.095 billion for the Byrne Justice Assistance Grant (JAG) through Federal Fiscal Year (FFY) 2012. This program funds a broad range of activities to prevent and control crime and to improve the criminal justice system. Under current law, JAG's authorization level is \$1.095 billion for FFY 2006 and such sums as may be necessary for FFYs 2007 through 2009. This bill is identical to S. 231 (Feinstein, D-CA), which the Senate passed on May 24, 2007. Annual appropriations for JAG historically have been significantly below the authorized level. The amount appropriated for JAG in FFY 2008 is only \$170 million, which is more than a two-thirds reduction below the prior year level.

We will continue to keep you advised.

WTF:GK  
MAL:MT:mp

c: All Department Heads  
Legislative Strategist